

Executive Summary Report

Appraisal Date 1/1/05- 2005 Assessment Roll

Specialty Name: Mini-Storage Facilities

Sales – Improved Analysis Summary:

Number of Sales 11

Range of Sales Dates: 3/2002 – 11/2004

Sales – Ratio Study Summary:				
	Avg. Improved Value	Avg. Sale Price	Ratio	COV
2004Value	\$ 3,281,200	\$ 3,422,800	95.9%	11.32%
2005Value	\$ 3,321,800	\$ 3,422,800	97.0%	7.82%
Change	+ \$ 40,600		+ 1.10%	- 3.50%
% Change	+ 1.24%		+ 1.15%	- 30.92%

*COV is a measure of uniformity, the lower the number the better the uniformity. The negative figures of – 3.50 and – 30.92% actually represent an improvement.

Sales used in Analysis: All sales verified as ‘good’ were included in the analysis. The sales considered indicate a slight upward trend in market value, but the limited number of recent sales reduces reliability.

Total Population - Parcel Summary Data:

	Land	Imps	Total
2004Value	\$ 179,517,700	\$ 373,640,250	\$ 553,157,950
2005Value	\$ 192,196,700	\$ 378,958,300	\$ 571,155,000
Percent Change	+ 7.06%	+ 1.42%	+ 3.25%

Number of Parcels in the Population: 160

Conclusion and Recommendation:

Since the values recommended in this report improve uniformity, assessment level and equity, we recommend posting them for the 2005 Assessment Roll.

Analysis Process

Specialty

Specialty Area – 608 Mini-Storage Facilities

Highest and Best Use Analysis

As if vacant: Market analyses of the area, together with current zoning and current and anticipated use patterns, indicate the highest and best use of the land.

As if improved: Based on neighborhood trends, both demographic and current development patterns, the existing buildings represent the highest and best use of most sites. The existing use will continue until land value, in its highest and best use, exceeds the sum of value of the entire property in its existing use and the cost to remove the improvements. We find that the current improvements do add value to the property, in most cases, and therefore are the highest and best use of the property as improved. In those properties where the property is not at its highest and best use a token value of \$1,000.00 is assigned to the improvements.

Special Assumptions, Departures and Limiting Conditions

All three approaches to value were considered in this analysis.

The following Departmental guidelines were considered and adhered to:

- No market trends (market condition adjustments, time adjustments) were applied to sales prices. Models were developed without market trends. The utilization of two years of market information without time adjustments averaged any net changes over that time period.
- This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6.

Identification of the Area

Name or Designation: Specialty Area 608: Mini-Storage

Boundaries: All Mini-Storage Facilities in King County

Maps:

A general map of the area is included in this report. More detailed Assessor's maps are located on the 7th floor of the King County Administration Building.

Area Description:

Area 608, mini-storage facilities are located throughout King County. The larger and newer facilities are located in the urban areas of the county. Firms such as Mr. Van Guard, Store More, Public Storage, and Shurguard have multiple locations. There are also a number of independent operators in the business. Most mini-storage facilities have good exposure and high visibility. They are also located nearer large complexes of multi-family housing. The newer units are one story or one and two story buildings that you can drive up to for easy access. Within the city limits of Seattle, older warehouses have been converted to mini-storage facilities. They have large freight elevators to expedite the process of storage on the upper levels. Area 608 was divided into 2 sub areas, 608-10 and 608-20. Area 608-10 is all mini-storage facilities in Seattle, North Seattle, and the Eastside. Area 608-20 is all mini-storage facilities in the South-end of King County.

Physical Inspection Identification:

Mini-storage valuations were performed in all areas of King County. Approximately 20% of the population was inspected, specifically in the southwest quadrant of King County, between January and May of 2005.

Preliminary Ratio Analysis

The pre-value analysis indicates that the overall values for these facilities have increased slightly since the last revalue. A Preliminary Ratio Study was completed prior to the application of the 2005 recommended values. This study benchmarks the current assessment level using 2004 posted values. The study was also repeated after application of the 2005 recommended values. The results are included in the validation section of this report, showing an improvement in the COV from 11.32% to 7.82%.

Scope of Data

Land Value Data:

The geographic appraiser in the area in which the specialty mini-storage property is located is responsible for the land value used by the mini-storage specialty appraiser. See appropriate area reports for the land valuation.

Improved Parcel Total Value Data:

Sales information is obtained from excise tax affidavits and reviewed initially by the Accounting Division, Sales Identification Section. Information is analyzed and investigated by the appraiser in the process of revaluation. All sales were verified by calling either the purchaser or seller, inquiring in the field or calling the real estate agent. Characteristic data is verified for all sales if possible. Due to time constraints, interior inspections were limited. Sales are listed in the “Sales Used” and the “Sales Not Used” sections of this report. Additional information resides in the Assessor’s procedure manual located in the Public information area of the King County Administration Building.

Sales comparison approach model description

Only those sales verified and coded as “good” were considered in the process of this revalue. There were a total of 11 improved sales countywide considered as “good” sales. These sales were considered on the basis of price per square foot of net rentable area. Although, there were too few sales to develop a model for sales comparison, these sales were used as a general guideline check on the values indicated by the income approach.

Cost approach model description

Cost estimates are automatically calculated via the Marshall & Swift cost modeling system. Depreciation was also based on studies done by Marshall & Swift Valuation Service. Marshall & Swift cost calculations are automatically calibrated to the data in place in the Real Property Application. Cost estimates served as value indicators for new construction projects.

Cost calibration

The Marshall & Swift cost modeling system built in to the Real Property Application is calibrated to the western region of the United States and the Seattle area.

Income capitalization approach model description

The Income Approach to value was considered the most reliable valuation approach for the mini-storage properties in this revalue cycle. The mini-storage facilities in King County were divided into two separate neighborhoods and assigned to one of two income tables derived by the mini-storage specialist. Income tables were developed for each economic neighborhood in Specialty Area 608 for use in the department’s commercial income capitalization program. They are broken down by neighborhood and the Marshall & Swift occupancy codes. The rates for rents, vacancy, expenses and capitalization parameters were derived from the market place through the sales listed, as well as through market surveys and available publications.

Income approach calibration

The models were calibrated after setting base rents by using adjustments based on size, effective age, construction class and quality as recorded in the Assessor's records. See income Tables 608-10 and 608-20 included in this report. Area 608-10 is all mini-storage facilities in Seattle, North Seattle, and the Eastside. Area 608-20 is all mini-storage facilities in the South-end of King County.

The lease up period for newly constructed facilities was considered by adjusting the vacancy rate and the cap rates upward, and then reconciliation with the cost approach.

Reconciliation and or validation study of calibrated value models including ratio study of hold out samples.

All parcels were individually reviewed by the specialty appraiser for correctness of the model application before final value selection. All factors used to establish value by the model were subject to adjustment.

Model Validation

Total Value Conclusions, Recommendations and Validation:

Appraiser judgment prevails in all decisions regarding individual parcel valuation. Each parcel is field reviewed and a value selected based on general and specific data pertaining to the parcel, the neighborhood, and the market. The Appraiser determines which available value estimate may be appropriate and may adjust particular characteristics and conditions as they occur in the valuation area.

The standard statistical measures of valuation performance are presented both in the Executive Summary and in the 2004 and 2005 Ratio Analysis charts included in this report. The 2005 Ratio Study Analysis indicates that the statistical measure of assessment level went from 97.6% to 98.4%, the Coefficient of Dispersion (COD) went from 7.61% to 5.43%, and the Coefficient of Variation (COV) went from 11.32% to 7.82%. The Price-related Differential (PRD) improved from 1.02 to 1.01. The improved statistical measures are within the IAAO guidelines and demonstrate an improvement in uniformity and equity.

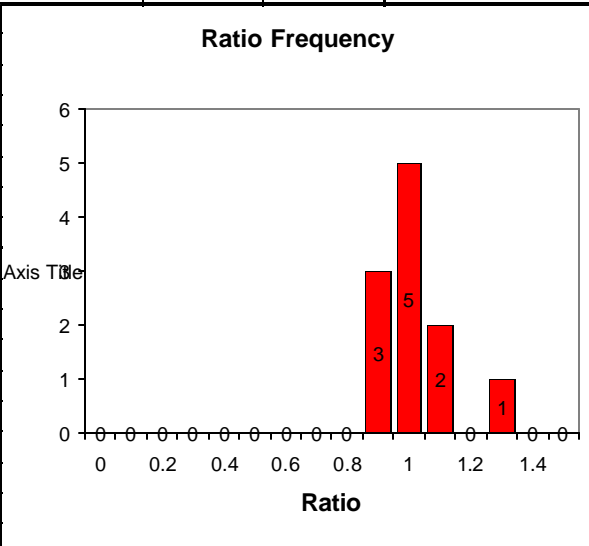
The Specialty Appraiser recommends application of the Appraiser selected values, as indicated by the appropriate model or method.

The total assessed value for the 2004 assessment year, for specialty area 608, was \$553,157,950 and the total recommended assessed value for the 2005 assessment year is \$571,155,000. Application of these recommended values for the 2005 assessment year (taxes payable in 2006) results in a total increase from the 2004 assessments of + 3.25%. This increase is due to upward market changes over time and the previous assessment levels.

Improved Sales Used 2005 Revalue

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code
608	010	012604	9011	69,703	1880899	\$5,900,000	04/17/02	\$84.64	ECONO MINI STORAGE	RB	1	Y
608	010	292604	9287	27,000	1887283	\$1,895,000	05/23/02	\$70.19	BRIAN & TONY'S	NC2-40	1	Y
608	010	387490	0040	29,260	1877579	\$2,062,471	03/27/02	\$70.49	U-HAUL RENTALS & MINI-STORAGE	NC2-40	1	Y
608	010	713380	0125	22,750	1910365	\$2,750,000	09/12/02	\$120.88	SEATTLE MINI WAREHOUSE	IC-65	1	Y
608	010	766620	6065	17,214	1918606	\$1,800,000	10/22/02	\$104.57	E-Z MINI STORAGE	IG2 U/8	1	Y
608	010	930130	0995	10,356	1962009	\$891,300	05/30/03	\$86.07	AARON'S MINI-STORAGE	L-3	2	Y
608	020	082305	9041	76,500	2052112	\$4,617,500	06/23/04	\$60.36	STORAGE ONE SELF STORAGE	RM-I	4	Y
608	020	132204	9113	68,290	2087323	\$4,458,275	11/19/04	\$65.28	KEEPSAKE MINI STORAGE	M2	1	Y
608	020	250060	0620	91,315	1909661	\$6,125,000	09/12/02	\$67.08	MIDWAY MINI STG	H-C	2	Y
608	020	262205	9110	0	2030110	\$2,352,000	04/08/04	\$0.00	MERIDIAN SELF STORAGE	CC	4	Y
608	020	936060	0225	79,790	2005498	\$4,798,800	11/22/03	\$60.14	AUBURN SELF STORAGE	C3	1	Y

Sales Used in Ratio Study (Before) 2005 Revalue

Quadrant/Crew:	Lien Date:	Date:	Sales Dates:										
Central Crew	1/1/2004	6/22/2005	3/27/02 - 11/19/04										
Area	Appr ID:	Prop Type:	Trend used?: Y / N										
608	JARL	Improvement	N										
SAMPLE STATISTICS													
Sample size (n)	11	<div>Ratio Frequency</div>  <p>A histogram titled 'Ratio Frequency' showing the distribution of ratios. The x-axis is labeled 'Ratio' and ranges from 0 to 1.4 with increments of 0.2. The y-axis is labeled 'Frequency' and ranges from 0 to 6 with increments of 1. There are four red bars with the following frequencies: 3 for the first bar (ratio ~0.9), 5 for the second bar (ratio ~1.0), 2 for the third bar (ratio ~1.1), and 1 for the fourth bar (ratio ~1.3).</p> <table border="1"><thead><tr><th>Ratio</th><th>Frequency</th></tr></thead><tbody><tr><td>0.9</td><td>3</td></tr><tr><td>1.0</td><td>5</td></tr><tr><td>1.1</td><td>2</td></tr><tr><td>1.3</td><td>1</td></tr></tbody></table>		Ratio	Frequency	0.9	3	1.0	5	1.1	2	1.3	1
Ratio	Frequency												
0.9	3												
1.0	5												
1.1	2												
1.3	1												
Mean Assessed Value	3,281,200												
Mean Sales Price	3,422,800												
Standard Deviation AV	1,734,481												
Standard Deviation SP	1,807,131												
ASSESSMENT LEVEL													
Arithmetic mean ratio	0.976	<div>These figures reflect the 2004 assessed values compared with the current market.</div>											
Median Ratio	0.994												
Weighted Mean Ratio	0.959												
UNIFORMITY													
Lowest ratio	0.8362												
Highest ratio:	1.2304												
Coefficient of Dispersion	7.61%												
Standard Deviation	0.1105												
Coefficient of Variation	11.32%												
Price-related Differential	1.02												
RELIABILITY													
95% Confidence: Median													
Lower limit	0.851												
Upper limit	1.045												
95% Confidence: Mean													
Lower limit	0.911												
Upper limit	1.041												
SAMPLE SIZE EVALUATION													
N (population size)	160												
B (acceptable error - in decimal)	0.05												
S (estimated from this sample)	0.1105												
Recommended minimum:	18												
Actual sample size:	11												
Conclusion:	Uh-oh												
NORMALITY													
Binomial Test													
# ratios below mean:	5												
# ratios above mean:	6												
z:	0												
Conclusion:	Normal*												
*i.e., no evidence of non-normality													

Sales Used in Ratio Study (After) 2005 Revalue

Quadrant/Crew:	Lien Date:	Date:	Sales Dates:										
Central Crew	1/1/2005	6/22/2005	3/27/02 - 11/19/04										
Area	Appr ID:	Prop Type:	Trend used?: Y / N										
608	JARL	Improvement	N										
SAMPLE STATISTICS													
Sample size (n)	11	<div>Ratio Frequency</div> <table><thead><tr><th>Ratio</th><th>Frequency</th></tr></thead><tbody><tr><td>0.9</td><td>1</td></tr><tr><td>1.0</td><td>6</td></tr><tr><td>1.1</td><td>3</td></tr><tr><td>1.2</td><td>1</td></tr></tbody></table>		Ratio	Frequency	0.9	1	1.0	6	1.1	3	1.2	1
Ratio	Frequency												
0.9	1												
1.0	6												
1.1	3												
1.2	1												
Mean Assessed Value	3,321,800												
Mean Sales Price	3,422,800												
Standard Deviation AV	1,733,419												
Standard Deviation SP	1,807,131												
ASSESSMENT LEVEL													
Arithmetic mean ratio	0.984												
Median Ratio	0.994												
Weighted Mean Ratio	0.970												
UNIFORMITY													
Lowest ratio	0.8604												
Highest ratio:	1.1590												
Coefficient of Dispersion	5.43%												
Standard Deviation	0.0769												
Coefficient of Variation	7.82%												
Price-related Differential	1.01												
RELIABILITY													
95% Confidence: Median		<div>These figures reflect the recommended 2005 assessed values compared with the current market.</div>											
Lower limit	0.910												
Upper limit	1.025												
95% Confidence: Mean													
Lower limit	0.938												
Upper limit	1.029												
SAMPLE SIZE EVALUATION													
N (population size)	160												
B (acceptable error - in decimal)	0.05												
S (estimated from this sample)	0.0769												
Recommended minimum:	9												
Actual sample size:	11												
Conclusion:	OK												
NORMALITY													
Binomial Test													
# ratios below mean:	5												
# ratios above mean:	6												
z:	0												
Conclusion:	Normal*												
*i.e., no evidence of non-normality													